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MERCHANT & GOULD - WELLS FARGO			ELISCA, PIERRE E	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/699,552	Applicant(s) ORCUTT, LAURA LEE
	Examiner Pierre E. Elisca	Art Unit 3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 12/19/2008.

2a) This action is FINAL. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 57-80 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) 80 is/are allowed.

6) Claim(s) 57-79 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____

4) Interview Summary (PTO-413)
Paper No(s)/Mail Date _____

5) Notice of Informal Patent Application
 6) Other: _____

DETAILED ACTION

1. This office action is in response to Applicant's amendment filed on 12/19/2008.
2. Claims 57-80 are currently pending in this application.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 57-79 are rejected under 35 U.S.C. 103 (a) as being unpatentable over Funk (U.S. Pat. No. 5,832,463) and Downs, Jr. (U.S. Pat. No. 6,654,487) in view of Guzman US 2003/0182227 A1.

As per claims 57-75 Funk substantially discloses a checkless transaction system that converts the check transaction into an electronic ACH, comprising:

Scanning a check drawn against an account associated with a consumer to capture information needed to create an ACH debit, automatically determining, at a computing apparatus, based at least in part on the captured information, determining whether the consumer has been notified that the check will be converted into an ACH debit, depositing the check at a financial institution a determination is made, automatically creating, at the computing apparatus, an electronic file that contains the information

needed to create an AHC debit when a determination is made (see., abstract, col 3, lines 28-67, col 4, lines 1-52),

The limitation wherein said if said check is eligible to be converted to an ACH debit, the consumer allows conversion of the check into an ACH debit, and evaluation of the MICR line indicates that the check can be converted into an ACH debit. However, the Examiner respectfully disagrees with this assertion because it is obvious to realize that if a check is not in good standard, i.e folded or stain or if the MICR has a missing number, and therefore would not be eligible for scanning or conversion. Moreover, if it is scanned an individual would not be able to interpret or understand what it is. Thus, would be a waste of memory.

It is to be noted that Funk fails to explicitly disclose the check is not eligible to be converted into an AHC. However, Down discloses a check processing system which includes a predetermined set of MICR line validation rules (see., abstract, lines 6-15, col 117, lines 44-67, col 118, lines 1-28). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk by including the limitation detailed above as taught by Downs because this would recognize invalid MICR line based on various rules.

Funk and Down fail to explicitly disclose the limitation of wherein said "an eligible check is defined as a consumer check". Guzman discloses a method of depositing and monitoring account credits received by bank check in conjunction with a sales transaction where the account credits are made by a third party to the sales transaction comprising: entering a transit number, account number, check number and a check

amount associated with the merchant location (see., Guzman, [0003], [0004], [claim 21]. Accordingly, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk and Down by including the limitation detailed above as taught by Guzman because this would allow the merchant to receive the check without meeting the consumer.

As per claims 76-79 Funk substantially discloses the claimed method of converting a check transaction into an electronic ACH, comprising:

Receiving at an originating depository financial institution (ODFI), an administrative return associated with a check, in response to receiving the administrative return, automatically, determining whether the check is a consumer check drawn against an account associated with a consumer , using the ACH debit to re-present the check (see., abstract, col 3, lines 28-67, col 4, lines 1-52),

The limitation wherein said if said check is eligible to be converted to an ACH debit, the consumer allows conversion of the check into an ACH debit, and evaluation of the MICR line indicates that the check can be converted into an ACH debit, determining whether the consumer has refused to allow conversion of the check into an ACH debit. However, the Examiner respectfully disagrees with this assertion because it is obvious to realize that if a check is not in good standard, i.e folded or stain or if the MICR has a missing number, and therefore would not be eligible for scanning or conversion. Moreover, if it is scanned an individual would not be able to interpret or understand what it is. Thus, would be a waste of memory.

It is to be noted that Funk fails to explicitly disclose the check is not eligible to be converted into an AHC. However, Down discloses a check processing system which includes a predetermined set of MICR line validation rules (see., abstract, lines 6-15, col 117, lines 44-67, col 118, lines 1-28). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk by including the limitation detailed above as taught by Downs because this would recognize invalid MICR line based on various rules.

Funk and Down fail to explicitly disclose the limitation of wherein said "an eligible check is defined as a consumer check". Guzman discloses a method of depositing and monitoring account credits received by bank check in conjunction with a sales transaction where the account credits are made by a third party to the sales transaction comprising: entering a transit number, account number, check number and a check amount associated with the merchant location (see., Guzman, [0003], [0004], [claim 21]. Accordingly, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk and Down by including the limitation detailed above as taught by Guzman because this would allow the merchant to receive the check without meeting the consumer.

Allowable Subject Matter

5. Claim 80 is allowed over the prior art. **Applicant is advised to amend claims 57-75 by including the limitations described above or below in order to expedite prosecution.**

RESPONSE TO ARGUMENTS

6. Applicant's arguments with respect to claims 57-79 have been fully considered but they are not persuasive.

REMARKS

7. In response to Applicant's representative arguments, Applicant's representative argues that:

a. During the interview conducted on 10/23/2008, the Examiner has suggested to Applicant's representative to amend the independent claims by including the limitations recited in claim 80, specifically wherein said "**means for using the third table to determine whether the R/T number of the check is associated with a financial institution that does not accept ACH transactions, means for storing a fourth table that lists billing account numbers assigned by the biller to consumers who have refused to allow the biller to convert checks into ACH debits, means for using the fourth table to determine whether the consumer has refused to allow the biller to convert checks into ACH debits, means for depositing the check at a financial institution when: a determination is made that the size of the check is not consistent with a size of a consumer check, a determination is made that the length of the MICR line of the check is not consistent with a length of a MICR line of a check that is eligible to be converted into an ACH debit, a determination is made that the R/T number of the check is not active, a determination is made that**

the R/T number of the check is associated with a financial institution that does not accept ACH transaction , a determination is made that the consumer has refused to allow the biller to convert checks into ACH debits". However, Applicant has failed to incorporate the limitations described above into claims 57-79, and therefore claims 57-79 are not in condition for allowance.

b. Applicant continues to argue that there are types of checks that include MICR lines that are not eligible to be converted to an ACH debit. For instance, a traveler's check may include a valid MICR line, but not be eligible to be converted to an ACH debit. However, the Examiner respectfully disagrees with this assertion since there is no mention of a traveler's check in the claims in order to establish a different between a traveler's check and a regular check. Please note that a check is a check. Accordingly, Down discloses a check processing system which includes a predetermined set of MICR line validation rules (see., abstract, lines 6-15, col 117, lines 44-67, col 118, lines 1-28). Therefore, the check processing system of Downs with a valid MICR line is eligible to be converted to an ACH.

c. Applicant's representative maintains that the cited reference Guzman fails to implicitly or explicitly disclose the limitation that an "eligible check is a consumer. However, the Examiner respectfully disagrees with this assertion because the claims recite the limitation of wherein said "an eligible check is defined as a consumer check. Guzman discloses a method of depositing and monitoring account credits received by

bank check in conjunction with a sales transaction where the account credits are made by a third party to the sales transaction comprising: entering a transit number, account number, check number and a check amount associated with the merchant location (see., Guzman, [0003], [0004], [claim 21]. Accordingly, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the checkless transaction of Funk and Down by including the limitation detailed above as taught by Guzman because this would allow the merchant to receive the check without meeting the consumer. Therefore, Applicant's argument is moot.

d. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the references are in the same environment and therefore are combinable.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Pierre E. Elisca whose telephone number is 571 272 6706. The examiner can normally be reached on 6:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Fischer can be reached on 571 272 6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/ Pierre E. Eliscas/
Primary Examiner, Art Unit 3621